

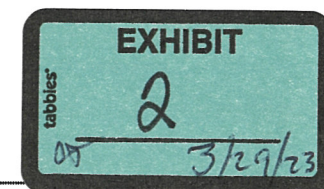
**FILED UNDER SEAL**

**EXHIBIT 29**

# Know Your Customer (KYC)

A fundamental concept that leads the fight against Anti-Money Laundering, Fraud and Reputational Risk

- KYC is a due diligence process that ensures we “know” the clients we deal with, and understand how and why they use our products and services.
- Without KYC, we become vulnerable. Unknowing to us, our clients could easily use PCS as a vehicle to perpetrate illegal activities.
- Potential loss and government sanctions aside, reputational risk is a major concern. Any adverse media about illegal activities - whether accurate or not - can cause a loss of integrity and market confidence for JPMC.



# Know Your Customer

## Regulations and JPMC Policies Assist in Adhering to KYC

KYC Component	Practice Description	Associated Regulation/Policy
Customer Acceptance	<ul style="list-style-type: none"> <li>Determining, at inception and on an ongoing basis, whether the client or prospect complies with relevant legal/regulatory policies and meets our firm's client standards</li> </ul>	JPMC Sponsorship Policy
Client Identification	<ul style="list-style-type: none"> <li>Obtaining satisfactory evidence of the true identity of any prospect, client or intermediary acting on behalf of a person/entity.</li> <li>Understanding the true relationship by identifying all material beneficial owners.</li> <li>Identifying those client types that are likely to pose higher than average risk to the bank and performing enhanced due diligence to assess our risk.</li> <li>Retaining pertinent, up-to-date, and relevant client records to document all risk assessments performed.</li> </ul>	USA Patriot Act
Product Use Rationale	<ul style="list-style-type: none"> <li>Obtain appropriate information regarding the nature of the client's business/personal activities to execute a reasonableness test.</li> <li>Understanding of what is considered normal financial transactions and account balances for our client. Knowledge of significant cash flow rationales and why domestic/international wire transfers are transacted.</li> </ul>	JPMC KYC Policy
Ongoing Monitoring	<ul style="list-style-type: none"> <li>Ongoing scrutiny of financial transactions to continually validate existing risk assessments, as well as identify new concerns.</li> </ul>	Bank Secrecy Act and JPMC KYC Policy

# JPMC Sponsorship Policy

- New Policy to be introduced 3<sup>rd</sup> Quarter 2005
- Sponsorship is defined as the relationship manager's responsibility for:
  - Determining whether an existing or prospective relationship complies with relevant legal and regulatory based policies.
  - Taking appropriate action to identify, communicate and resolve any issues that may arise in the course of such determinations.
- More to come later in the year.



# USA Patriot Act

## Customer Identification Program Policy (CIPP)

All new accounts in PCS are required to be opened in compliance with PCS's AML/KYC Policy and Guidelines, and encompasses all deposit, loan, personal trust, custody, trust agency and investment agency accounts. The PCS associate responsible for the client relationship, in concert with middle office associates, is responsible for obtaining and recording CIP information as outlined in the following seven steps:

### **Step 1: Determine if customer is new or existing**

- If customer is an existing client of PCS, associates are to use specific business unit standards to establish and document "reasonable belief" of the customer's identity.
- If customer is new to PCS (including referrals from other JPMC Lines of Businesses), the associate is to establish the customer's identity by obtaining and verifying the customer's ID.

### **Step 2: Disclosure to customers**

We are required by law to disclose to our clients that we verify their identification. A standard PCS AML disclosure statement is to be provided to customers who open new accounts as part of their account opening documentation.

### **Step 3: Gather customer "core 4" information:**

- Name (individual or business entity)
- Residential or business location address
- Social Security number or tax ID
- Date of birth (for individuals only)

### **Step 4: Obtain customer identification**

- Individuals - Two pieces of identification. One must be primary and both must be issued from different sources.
- Non-individuals - State/Government certified documents, such as Articles of Incorporation, Partnership Agreement, etc.

### **Step 5: Verify customer identity**

Unless the verification is a systematic part of the new account process, use an independent third-party source, like ChexSystems to validate the client's identity.

# USA Patriot Act

## Customer Identification Program Policy (CIPP)

**Step 6: Determine if your client falls into a "high risk" category. If the client does, perform "enhanced due diligence."** Certain clients are considered high risk due to their probability of engaging in money laundering, their account size and complexity, or as defined by the government. The following "enhanced due diligence" efforts may be required for new and existing clients.

1. Background screening

- Required for all clients opening an account for \$1 million or more, and/or those who JPMC policy defines as high risk.
- Corporate Security will provide background-screening alerts to PCS Risk Management for its review. Depending on the level of the alert received, PCS Risk Management will contact the front office associate for appropriate approvals. A business case will be created and provided to the Managing Director, Regional Director and PCS National Director.

2. Non-U.S. citizens

- The International Private Client Services process and forms must be used when opening any account for a non-US citizen or foreign entity.
- The IPCS Risk Manager is to approve all new non-U.S. citizens outside of IPCS's financial and geographic targets.
- Additionally, the Market Regional Director and the Head of PCS is required to approve all new senior political officials, also known as politically exposed persons (PEPs).

3. A PCS Enhanced Due Diligence form with appropriate PCS management sign-off must be completed when:

- The ultimate source of funds for the new account cannot readily be established, or
- When JPMC policy defines the new or existing client as High Risk.

**Step 7: Record and retain identification/verification information**

The Patriot Act Data System (PADS), Customer Assist, Trust/Custody/Agency checklists, General Release of Credit Form, and/or eChecklist is used to record core pieces of client identification and verification information for PCS accounts.

In addition, PCS business units is to retain supporting documentation, including enhanced due diligence documentation in front office files, imaging systems or processing systems to comply with the retention requirements of the Act. All identifying information obtained pursuant to the Customer Identification Program (CIP), as well as records of the methods used and results received during the verification process, is required to be retained for 5 years after the account is closed.



# USA Patriot Act

## Customer Identification Program Policy (CIPP)

### High Risk Designations – Consumers

- Non-US citizens
- Owners of high risk businesses

#### What you need to do:

- Complete either the IPCS non-US or PCS Enhanced Due Diligence forms, as appropriate. Obtain management sign-off prior to opening account.
- If appropriate, initial a client/prospect background screen.

# USA Patriot Act

## Customer Identification Program Policy (CIPP)

### High Risk Designations – Business Entities

ATM Vendors/providers, Auctioneers of luxury good, Bank note traders, Brokers/Dealers, Car/plane/boat dealerships/operators, Cash intensive business, Charities and Foundations, Coupon redemption business, Deposit brokers, Foreign corporations (including Off Shore Companies and Private Investment/Holding Companies), Hedge funds, Investment advisors/brokers, Import/export companies, Jewel and precious metal dealers/stores, Loan and credit agents, Pawn brokers, Phone card companies, Private equity/Investment firms, Professional services - lawyers, accountants and company services, Salvage businesses, Ship and bus operators, Special purpose vehicles, Societies and clubs, Telemarketers, Travel agents

#### What you need to do:

- Complete an PCS Enhanced Due Diligence Form (or IPCS forms for foreign businesses) and obtain management sign-off
- If appropriate, initial a client/prospect background screen.



# USA Patriot Act

## Customer Identification Program Policy (CIPP)

### High Risk Designations – Geographic Restrictions

**High Risk** - Afghanistan, Algeria, Angola, Azerbaijan, Bahamas, Bhutan, Bolivia, Brazil, Burkina Faso, Burma, Burundi, Cameroon, Central African Republic, China, Colombia, Comoros, Congo, Cook Islands, Cuba, Dominican Republic, East Timor, Ecuador, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Guatemala, Guinea, Haiti, India, Indonesia, Iran, Iraq, Jamaica, Kazakhstan, Kiribati, Korea, Kosovo, Kyrgyzstan, Laos, Latvia, Lesotho, Liberia, Libya, Madagascar, Malawi, Maldives, Mali, Martinique, Mauritania, Mexico, Mongolia, Nauru, Nepal, Niger, Nigeria, Pakistan, Palestine, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Russia, Rwanda, Sao Tome, Sierra Leone, Solomon Islands, Somalia, Sudan, Syria, Tajikistan, Thailand, Turkmenistan, Tuvalu, Uganda, Venezuela, Vietnam and Zimbabwe (Red = PCS Target Market)

**Medium Risk** - Armenia, Bangladesh, Benin, Brunei Darussalam, Cambodia, Chad, Cote D'Ivoire, Djibouti, Fiji, Gambia, Georgia, Ghana, Guyana, Honduras, Kenya, Macau, Micronesia, Moldova, Montserrat, Morocco, Mozambique, Namibia, Nicaragua, Niue, Palau, Samoa, San Marino, Senegal, Seychelles, Sri Lanka, St. Lucia, Suriname, Swaziland, Tanzania, Togo, Tonga, Tunisia, Turks & Calicos, Uzbekistan, Western Sahara, Yemen, Yugoslavia (Serbia) and Zambia

#### •What you need to do:

- Complete IPCS Client Profile/Applications forms with management signoff.
- Perform World Check and OFAC screens